- To facilitate access to funds for the housing sector, the development of integrated townships have been permitted as an eligible and-use of the External Commercial Borrowing (ECB).

— **Micro, Small and Medium Enterprise (MSME) Sector** :

- Refinance facility of Rs.7000 crore for Small Industries Development Bank of India (SIDBI) by the Reserve Bank of India (RBI) to support MSMEs.
- Enhancement of the loan limit to Rs.1 crore under Credit Guarantee Scheme.
- Grant of need-based *ad-hoc* working capital loans upto 20% of the existing fund-based limits.
- Reduction in interest rates for borrowing by micro enterprises by 1% and in respect of Small and Medium Enterprises (SMEs) by 0.5%.

- **Textiles** : An additional allocation of Rs.1400 crore to clear the entire backlog in Technology Upgradation Fund (TUF) Scheme.
- **Cement** : Countervailing Duty (CVD) on Cement reimposed to protect and promote domestic Cement Industry.
- **Steel** :
  - Export duty on long term steel products and pig iron has been removed to promote domestic steel industry.
  - Reimposition of Import duty on Pig iron, Semi-finished flat and long steel products to protect domestic steel industry.
- **Automobile** :
  - Accelerated depreciation of 50% for commercial vehicles.
  - Assistance to the state under the Jawaharlal Nehru National Urban Renewal Mission (JNNURM) for the purchase of buses for the urban transport system.
- **Others** : (a) Government departments are allowed to replace government vehicles within the allowed budget, in relaxation of extant economy instructions. (b) Elimination of Import Duty on Naphtha for use in the power sector. (c) Elimination of export duty on iron ore fines and reduction of duty to 5% for lumps.

In addition, Reserve Bank of India (RBI) has taken a number of steps to reduce the cost of credit and improve liquidity for industry by reducing Repo rate, Statutory Liquidity Ratio (SLR), and Cash Reserve Ratio (CRR).

Change in rules relating to foreign trade policy and SEZs

246. SHRI AMAR SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether there is any proposal under Government's consideration to change rules relating to foreign trade policy and also Special Economic Zones that would enable the refineries to set up export-oriented units to sell petroleum products in domestic market without paying extra tax or duties;

(b) if so, the details thereof; and

(c) the loss likely to be incurred by Government as result of acceptance of this proposal?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (c) A proposal was received from Ministry of Petroleum and Natural Gas to tackle simultaneous import and export of petroleum products in India by allowing Public Sector Undertaking oil companies (Domestic Tariff Area) to source Petroleum products from EOU/SEZ refineries. The proposal has not been supported by Ministry of Finance and the same has been communicated to Ministry of Petroleum and Natural Gas.

Boosting Indian export sector

247. SHRI AMAR SINGH: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government is aware that Indian exports have been severally hit because of global economic downturn and slowing demand in developed markets;

(b) if so, the details thereof;

(c) whether Government have chalked out any plan to boost export sector and also minimize the hardship of the exporter and if so, the details thereof; and

(d) by when such measures are likely to be implemented?

THE MINISTER OF STATE IN THE DEPARTMENT OF COMMERCE, MINISTRY OF COMMERCE AND INDUSTRY (SHRI JAIRAM RAMESH): (a) and (b) Exports of goods during the period April-December' 08 had been US$ 130.91 billion as against US$ 113.48 billion during the corresponding period in the previous year, thereby registering a growth of 15.4%. On account of global financial crisis and economic slowdown particularly of developed economies, the target of US$200 Billion fixed for the financial year 2008-09 is unlikely to be achieved. Effect of global slowdown on India's exports has been more pronounced in sectors *viz.* Gems and Jewellery, Textiles and Garments, Handicrafts, Automobiles, Leather and Leather products, Marine Products and Plastic and Linoleum etc. also affecting employment in these sectors.

(c) and (d) The Government and RBI are closely monitoring both the domestic and international economic developments. Some of the steps recently taken by Government/RBI to arrest the decline in export growth rate are given in the Statement.